

**FINANCE COMMITTEE MINUTES
JULY 26TH, 2010**

SIGN IN

**VIRGIL KAMBARIAN
JACK JENKINS
DAVID PARTNEY
DON THOMPSON
MIKE SKOKLO
ED HAGNAUER**

**MARY WOFFORD
PAUL JACKSTADT
JIM SMITH
BILL DAVIS
WALMER SCHMIDTKE**

KAMBARIAN CALLED MEETING TO ORDER.

**KAMBARIAN SAID MAY 26TH, 2010 FINANCE MEETING MINUTES
THERE WAS A MISTAKE, \$95 MONTH WAS POSTED SHOULD HAVE
BEEN \$95 A YEAR.**

**MOTION BY KAMBARIAN, SECOND BY MCDOWELL TO AMEND THE
MAY 26TH, 2010 FINANCE COMMITTEE MEETING MINUTES. MOTION
CARRIED.**

**KAMBARIAN SAID THAT WE HAD THE COUNCIL HAS A SIZABLE
DEFICIT IN THE BUDGET BEFORE US, AND WE HAVE TUFF
DECISIONS, HOW WE ARE GOING TO DEAL WITH IT. THE PAPER
BEFORE YOU THE GENERAL FUND EXPENSES, BUDGET THAT WAS
PASSED WITH A DEFICIT OF \$(199,510). AS YOU KNOW THE STATE
OF ILLINOIS OWES THE CITY \$1.2 MILLION, THEY OWE SCHOOL
DISTRICTS AND OTHERS AROUND THE STATE, WE HAVE
RESPONSIBILITIES UNDER STATE LAW ON HOW WE HAVE TO
DEAL WITH THIS SITUATION.**

**KAMBARIAN TURNED OVER TO ONEY. HE EXPLAINED THE
CORRECTIONS, HAD BUDGETED (1,145,759), FOR THE UTILITY TAX,
REAL ESTATE TAX \$349,113. REDUCTIONS IN PENSION
CONTRIBUTIONS 287,565. NEW BUDGET OF DEFICIT (708,591). ONEY
EXPLAINED THAT THE MONEY THAT THE STATE OWES US IS
DRAINING THE CITY CASH FLOW. WHAT IT IS THAT THE CITY HAS
A SURPLUS IN GENERAL THAT WE ARE ABLE TO WITHSTAND THE
DEDUCTION IN THE PAYMENT FROM THE STATE.**

KAMBARIAN SAID THAT THERE WOULD BE SOME TUFF DECISIONS THAT THE COUNCIL WOULD HAVE TO MAKE, AND WOULD LIKE EVERY TO GIVE THEIR OPINION. KAMBARIAN SAID HE THINKS WE SHOULD USE OUR RESERVE TO MEET THE SHORT TERM DEFICIT. HOPE THE STATE WILL COME THROUGH, IF THEY DON'T THEN WILL HAVE TO MAKE A MORE SOLID APPROACH AS HOW WE WILL HANDLE THE PROBLEM.

KAMBARIAN TURNED OVER TO MCDOWELL. MCDOWELL SAYS HE HAS TO AGREE WITH KAMBARIAN, AND WE DON'T HAVE MUCH CHOICE, BUT USE OUR SURPLUS MEET OUR NEEDS KNOW AND PUT OFF A HARD DECISION THAT WILL PROBABLY HAVE TO BE DONE LATER, BUT FOR THE TIME BEING USE THE SURPLUS AND SEE WHAT HAPPENS.

KAMBARIAN TURNED OVER TO SKOKLO. SKOKLO ASKED WHAT THE TIME WE WOULD START SEEING REVENUE FROM THE UTILITY TAX. ONEY SAID APPROXIMATELY IT WOULD BE 3 MONTHS. SKOKLO THINKS WE SHOULD MOVE FORWARD AND HAVE EVERY THING IN PLACE, INCASE THE STATE DOESN'T COME THREW. SKOKLO SAID SOMETIMES GOVERNMENT IS NOT FUN ALL THE TIMES AND WE HAVE TO MAKE SOME TUFF DECISIONS AND THIS IS ONE OF THOSE TIMES. SKOKLO SAID HE DOESN'T KNOW WHERE ELSE TO MAKE UP THIS MONEY WITHOUT CUTTING STAFF, SKOKLO FEELS THE CITY IS TURNED AROUND AND MOVING FORWARD. SKOKLO SAID SOMETIMES WE HAVE TO STAND UP AND BE COUNTED, IT'S NOT THE FUN THING TO DO, BUT I THINK THIS IS ONE OF THEM.

KAMBARIAN SAID THAT THE COUNCIL WOULD DO WHAT'S NECESSARY FOR THE CITY. KAMBARIAN ASKED HOW THE REST OF THE COUNCIL FEELS.

KAMBARIAN TURNED OVER TO THOMPSON. THOMPSON ASKED IF 5% WOULD BE PERMANENTE TAX.

ONEY SAID IT'S PERMANENTE TAX ACCORDING TO THE COUNCIL, YOU CAN SET IT YEAR BY YEAR.

KAMBARIAN SAID IF THE COUNCIL WANTED TO MAKE UP THE SHORT FALL, WE WOULD HAVE TO RAISE THE LEVY 3.6 MILLION. KAMBARIAN SAID AS FOR AS THE UTILITY TAX GOES IT'S ONLY AS STRONG AS THE COUNCIL THAT SUPPORTS IT. THIS PARTICULAR TAX EVERYONE PAYS EVEN CORPORATION AND INDUSTRIES. WE HAVE LOTS OF FORMS OF REVENUE; THE SALE TAX BEING A BIG PART OF IT, THE STATE AS YOU KNOW IS NOT PAYING US OUR PORTION.

THOMPSON ASKED HOW IS THIS GOING TO AFFECT SOME OF OUR BUSINESSES. ONEY SAID IT'S BASED ON KILOWATTS, USAGE FEE. THOMPSON SAID HE IS IN FAVOR OF THE 5% INCREASE.

KAMBARIAN SAID THERE IS ALWAYS GOING TO BE PEOPLE THAT COMPLAIN ABOUT THE TAX, BUT THEY ARE THE SAME ONES THAT WILL COMPLAIN WHEN THEY CAN'T GET SERVICES THAT MONIES PROVIDE.

MAYOR SAID THIS IS JUST A STUDY; THE EXPENSES COULD BE MUCH LESS THAN WHAT WAS PROPOSED. ALL BUSINESS IN SURROUNDING AREAS HAVE THESE TYPES OF TAXES. MAYOR SAID JUST LOOKING AT THIS MORE STUDY NEEDS TO BE MADE. CITY CAN NOT DEPEND ON THE STATE. WE DON'T WANT TO STEP BACKWARDS, WITH THE SERVICES PROVIDED BY THE CITY. IF THE CITY LAY OFF EVERYONE IN THE AUDIENCE IT STILL WON'T SOLVE THE PROBLEM. ASSESSMENT ON PEOPLE TAXES ARE GOING DOWN THIS COST US, THE UTILITY TAX IS THE ONLY FAR WAY THAT WE CAN ACCESS AND KNOW IT'S A CONSTANT. MAYOR SAID WE HAVE NOT REPLACED 6 PEOPLE; SOMETIMES WE HAVE TO MAKE SOME TUFF DECISIONS TO MOVE THE CITY FORWARD.

SKOKLO SAID THAT EVERYONE IS GOING TO PAY. TAKE A LOOK AROUND AND SEE WHAT WE ARE DOING WE'VE GOT 1.5 MILLION HOMES GOING UP. SKOKLO SAID WE ARE AN OLDER TOWN AND WE ARE AN OLDER TOWN AND WE ARE GOING TO HAVE SEWER BREAKS AND WE ARE GOING TO NEED THE MONEY TO FIX THEM. SKOKLO SAYS THIS IS THE COST OF DOING BUSINESS, WERE HERE AND WERE STAYING HERE I'M NOT GOING ANYWHERE, THIS IS HOME TO ME, I'M NOT TO GOING SIT AROUND AND SEE THE CITY

CRUMBLE. SKOKLO SAID IF HE LOSES HIS SEAT, HE DID THE RIGHT THING.

SCHMIDTKE ASK IF WE WERE THE ONLY CITY THAT THE STATE HASN'T PAID. KAMBARIAN STATE IT'S ALL ACROSS THE STATE.

MOTION BY KAMBARIAN, SECOND BY MCDOWELL TO AMEND THE BUDGET TO \$(708,591) TO USE THE MONIES FROM THE RESERVES. MOTION CARRIED.

MAYOR ASKED IF THE COUNCIL IS IT OKAY TO MOVE FORWARD, ALL THE SURROUNDING COMMUNITIES ALREADY HAVE THESE TAXES.

JACKSTADT, WE HAVE TO THINK DIFFERENTLY, IF WE ARE GOING TO HAVE A VIABLE COMMUNITY WHERE PEOPLE WILL WANT TO LIVE, WE HAVE TO HAVE A GOOD POLICE, STREET, SCHOOLS, PUBLIC WORKS ETC.

KAMBARIAN ASKED IS THIS THE CONSENSUS OF THE COUNCIL FOR THE MAYOR TO MOVE FORWARD WITH A MORE DEFINITIVE ANALYSIS OF THE UTILITY TAX AT THIS TIME. LET THE RECORD SHOW THAT EVERYONE IS NODDING OKAY.

MAYOR SAID IF ANYONE HAS ANY QUESTIONS PLEASE SEND THEM HIS WAY.

PARTNEY SAID HE IS NOT IN FAVOR OF THE UTILITY TAX. PARTNEY SAID HE WOULD LIKE TO POSSIBLY SEE US CUT COST IN EVERY DEPARTMENT. SOME WILL SUFFER ACROSS THE BOARD; LOTS HAVE LOST JOBS IN GRANITE CITY. AND ALL THE SURROUNDING CITIES ARE IN THE SAME BOAT. HE THINKS WE CAN COME UP WITH OTHER MEANINGFUL IDEAS.

MAYOR SAID 5% DOESN'T GET US ANYWHERE IT DOESN'T EVEN COVER THE PENSION PROBLEM. MAYOR SAID NOT PROPOSING TO FIX IT OVER NIGHT. WITHOUT THE REVENUE WE CAN'T FIX SIDEWALKS, CURBS, AND WE CAN'T SEND POLICE OUT IF SOMEONE IS WALKING DOWN YOUR ALLEY.

KAMBARIAN SAID IT'S THE MAYORS RIGHT, THAT YOU CAN'T CREATE THE REVENUE BY CUTTING JOBS. KAMBARIAN SAID IT'S NOT THAT SIMPLE. WE HAVE 1.2 MILLION IN SEWER EXPENSE WRIGHT NOW, BY RAISING THE SEWER FEE THE CITY WAS ABLE TO MEET THE NEED. WE HAVE BEEN PROACTIVE WITH THESE PROBLEMS. THE KIND OF REVENUE WE NEED CAN NOT COME FROM SIMPLY LAYING PEOPLE OFF. WE HAVE TO CREATE A REVENUE STREAM THAT MEETS OUR FISCAL RESPONSIBILITY OUR LEGAL RESPONSIBILITY.

**ONEY SAID HE LIKE TO ADDRESS THE BUDGET, THE MAYOR PUT A MANDATE,# 1 ZERO PAY RAISES,# 2 NO OVERTIME, #3 CUT ALL NEW EQUIPMENT. ONEY SAID IF YOU LOOK AT THE NUMBERS WE HAVE CUT THE BUDGET, OUR MAIN COST IN THE BUDGET ARE HEALTH INSURANCE, PENSIONS, AND WORKMEN'S COMP. ONEY SAID TO PARTNEY, BY CUTTING ANOTHER 5% WE WOULD HAVE TO CUT PEOPLE, SOME DEPARTMENTS ONLY HAVE 3 WORKERS, AND THEY ARE A SERVICE DEPARTMENT. ONEY SAID THAT HE WOULD SIT DOWN WITH PARTNEY AND EXPLAIN THE BUDGET. ONEY ASKED PARTNEY YOU WANT A 5% CUT IN STAFF IS THAT CORRECT? PARTNEY NO. PARTNEY SAID ONEY MADE A CHANG IN THE BILL LIST, YOU MADE A CHANGE IN THE BILL LIST, IT SAYS REGIONS BANK X AMOUNT OF DOLLARS BUT IT DOESN'T SAY WHAT IT FOR A SHOVEL?, WE HAVE NO WAY OF KNOWING WHAT WE ARE PAYING FOR. ONEY SAID THAT PARTNEY HAD COME TO HIS OFFICE AND HE EXPLAINED THESE THINGS TO HIM. MORE DISCUSSION OVER THE BILL LIST BY ONEY AND PARTNEY. PARTNEY SAID HE VOTES AGAINST THE BILL LIST FOR THIS REASON.
MORE DISCUSSION BY THE COUNCIL.**

KAMBARIAN ASKED IT THERE ANYMORE DISCUSSION? NONE.

**MOTION BY KAMBARIAN, SECOND BY MCDOWELL TO ADJOURN.
MOTION CARRIED.**

